

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



2860 EYDE PARKWAY
EAST LANSING, MICHIGAN 48823

DANA NESSEL
ATTORNEY GENERAL

November 19, 2021

Spicy Vines, LLC
25475 Cloverdale Peak Rd.
Cloverdale, CA 95425

Re: Cease and Desist Unlicensed Direct Shipping of Alcoholic Liquor

Dear Sir or Madam:

This office has confirmed that Spicy Vines, LLC has been directly shipping wine into the State of Michigan despite not possessing a direct shipper license. This conclusion arises from the attached excerpt from a common carrier report filed with the Michigan Liquor Control Commission (MLCC) demonstrating the business's ongoing practice of receiving money from customers in exchange for direct shipments of wine, contrary to the Michigan Liquor Control Code of 1998 (Liquor Code). See MCL 436.1101, et seq. More specifically, MCL 436.1203(1) prohibits a person from selling, delivering, or importing alcoholic liquor into this state unless authorized. Directly shipping wine to consumers in Michigan is authorized only through licensure under MCL 436.1203(10). Accordingly, the business and anyone affiliated with its operation are ordered to cease this illegal activity or face possible criminal charges.

The party mentioned above must cease and desist its ongoing practice of selling, furnishing, or shipping alcoholic liquor to customers in Michigan. This activity violates the Liquor Code and constitutes criminal activity. According to MCL 436.1909(3), any person who "performs any act for which a license is required under this act without first obtaining that license or who sells alcoholic liquor in a county that has prohibited the sale of alcoholic liquor . . . is guilty of a felony punishable by imprisonment for not more than 1 year or by a fine of not more than \$1,000.00 or both." Moreover, a person who sells, delivers, or imports wine in violation of MCL 436.1203(1) is subject to civil or criminal penalties of up to four years imprisonment or a \$5,000 fine, or both. MCL 436.1909(5).

The U.S. Constitution, in the Twenty-first Amendment, reserves the right to control alcoholic beverages to the individual states, and each state has its own system of licensing, taxation, and regulation to prevent unauthorized sales. See

EXHIBIT 1

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U.S. Const Amend XXI; see also 1963 Mich Const Art. IV, §40. The Michigan Legislature has established a system of licensing, taxation, and enforcement standards, which the MLCC is responsible for implementing. The essence of such a control system is that alcoholic beverages, while legal, are controlled substances which are susceptible to misuse or abuse. Liquor licensees, who are authorized to sell alcoholic beverages, are directly accountable to the MLCC. If you wish to become licensed by the MLCC as a direct shipper so that you can legally sell or furnish alcoholic liquor within the State of Michigan, please contact the MLCC to obtain information on how to become a licensed entity. But unless and until the above business becomes licensed, it is engaging in illegal activity by shipping wine to Michigan consumers.

Spicy Vines, LLC is also violating the Michigan Consumer Protection Act (CPA) by promoting and falsely representing to the public that its business is legal. Section 3 of the CPA, MCL 445.903(1)(a), prohibits representations that cause a probability of confusion or misunderstanding as to their approval. A persistent and knowing violation of this law may result in a court assessing a civil penalty of \$25,000, along with costs and attorney fees, in favor of the Attorney General. See MCL 445.905.

The statutes and possible legal actions stated in this letter are by no means exhaustive; this letter is intended only to place Spicy Vines, LLC and persons affiliated with its operation on notice that the business is violating the laws prohibiting unlicensed persons from directly shipping wine to Michigan consumers. If this activity fails to cease within 14 days of your receipt of this letter, our office will take legal action to stop it. This may include filing criminal charges.

Sincerely yours,

A handwritten signature in blue ink that reads "Donald S. McGehee" followed by a stylized flourish.

Donald S. McGehee
Division Chief
Alcohol and Gambling Enforcement Division
(517) 241-0210
Fax: (517) 241-1074

SPICY VINES, LLC D/B/A SPICY VINES - UPS SHIPMENTS (2021)

					FEB. 2021						
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	LAURIE PETRUCHA	50157 TETON RIDGE RD	NORTHVILLE	MI	48168	2/11/2021	1273W66EA895952738
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	KEVIN FAUST	212 W VAN BUREN ST	AUGUSTA	MI	49012	2/11/2021	1273W66EA891136261
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	MARC KEYS	5293 PINNACLE CT	ANN ARBOR	MI	48108	2/11/2021	1273W66EA893081647
					TOTAL = 3						
					MAR. 2021						
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	FRANK LIVINGSTON	531 RANDOLPH ST	OWOSSO	MI	48867	3/15/2021	1273W66EA898443103
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	KEVIN FAUST	212 W VAN BUREN ST	AUGUSTA	MI	49012	3/12/2021	1273W66EA896842882
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	LINDA ROBERTSON	537 RANDOLPH ST	OWOSSO	MI	48867	3/15/2021	1273W66EA897051243
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	MARC KEYS	5293 PINNACLE CT	ANN ARBOR	MI	48108	3/17/2021	1273W66EA896851041
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	TIM KETCHUM	2727 LYONS AVE	LANSING	MI	48910	3/15/2021	1273W66EA898633032
					TOTAL = 5						
					MAY. 2021						
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	SANDY LINDSAY	1298 SANDY RIDGE DR	ROCHESTER HILLS	MI	48306	5/3/2021	1273W66EA899433452
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	JOHN LOWMAN	317 S ELM ST	OWOSSO	MI	48867	5/12/2021	1273W66EA890454231
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	ERIN OLDFORD	5395 CULLEN RD	FENTON	MI	48430	5/19/2021	1273W66EA899403485
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	LINDA ROBERTSON	537 RANDOLPH ST	OWOSSO	MI	48867	5/20/2021	1273W66EA899433532
					TOTAL = 4						
					JUN. 2021						
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	FRANK LIVINGSTON	531 RANDOLPH ST	OWOSSO	MI	48867	6/11/2021	1273W66EA898089612
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	KEVIN FAUST	212 W VAN BUREN ST	AUGUSTA	MI	49012	6/11/2021	1273W66EA890315382
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	LINDA ROBERTSON	537 RANDOLPH ST	OWOSSO	MI	48867	6/11/2021	1273W66EA897753753
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	TIM KETCHUM	2727 LYONS AVE	LANSING	MI	48910	6/11/2021	1273W66EA891382165
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	SANDY LINDSAY	1298 SANDY RIDGE DR	ROCHESTER HILLS	MI	48306	6/17/2021	1273W66EA895643607
					TOTAL = 5						
					SEP. 2021						
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	KEVIN FAUST	212 W VAN BUREN ST	AUGUSTA	MI	49012	9/9/2021	1273W66EA896524305
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	ERIN OLDFORD	5395 CULLEN RD	FENTON	MI	48430	9/14/2021	1273W66EA897724687
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	FRANK LIVINGSTON	531 RANDOLPH ST	OWOSSO	MI	48867	9/14/2021	1273W66EA895930574
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	TIM KETCHUM	2727 LYONS AVE	LANSING	MI	48910	9/14/2021	1273W66EA895802499
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	ANNA OWENS	815 LAKESIDE DR	OWOSSO	MI	48867	9/15/2021	1273W66EA898684700
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	MARC KEYS	5293 PINNACLE CT	ANN ARBOR	MI	48108	9/15/2021	1273W66EA896804502
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	SANDY LINDSAY	1298 SANDY RIDGE DR	ROCHESTER HILLS	MI	48306	9/18/2021	1273W66EA895700563
SPICY VINES, LLC	441 HEALDSBURG AVE	HEALDSBURG	CA	95448	LINDA ROBERTSON	537 RANDOLPH ST	OWOSSO	MI	48867	9/30/2021	1273W66EA890015223
					TOTAL = 8						